

March 29, 2012

The Honorable Janet Napolitano
Secretary
U.S. Department of Homeland Security
Washington, DC 20528

Re: Automated Commercial Environment and International Trade Data System

Dear Secretary Napolitano,

On behalf of the undersigned organizations and the interests of millions of businesses represented, we submit this letter in regard to the funding levels for the Automated Commercial Environment (ACE) and the International Trade Data System (ITDS). The President's proposed budget again provides level funding for ACE and ensures that insufficient progress would be made toward the completion of the project. The completion of ACE would not only contribute to the economic competitiveness of U.S. businesses, but would also improve government security processes. We strongly urge you to fund the program with development and completion as a short term goal.

ACE is U.S. Customs and Border Protection's (CBP) commercial trade processing system designed to automate border processing, enhance border security, and promote trade facilitation for legitimate trade. ACE will replace the Automated Commercial System (ACS), a 27 year old system with limited capabilities that requires significant financial support to maintain.

CBP and the trade community are currently operating partially in two systems (ACE and ACS) for various functions of the commercial process. This is not only operationally inefficient and confusing, but prohibitively expensive for both partners. The cost of maintaining the legacy ACS system on "life support" is estimated at \$40 million annually. This serves as additional motivation to complete and deliver ACE so that ACS can finally be retired and the financial offset realized.

A fully operational ACE would allow participants in government and the trade community to submit and access consolidated trade information. This would help CBP and other government agencies analyze cargo for threats and collect proper duties. It also would allow the trade community to better track their shipments and monitor their payments.

The undersigned organizations ask for a commitment of an additional \$80 million for the FY13 budget process. This appropriation should include a commitment to a consistent and predictable budget for the following two years, FY13-FY15. The completion of the program should be the goal at the end of this timeframe, and the full retirement of the legacy ACS system. The current state of budget paralysis will only provide partial funding for two systems (ACE and ACS) into perpetuity. At the currently proposed level it will be neither cost-effective, nor create the modernization necessary for CBP to execute its critical border mission for the country.

We appreciate the opportunity to comment on this important issue and look forward to discussing this issue with you in the near future.

Sincerely,

Airforwarders Association
Alliance of Automobile Manufacturers
American Apparel & Footwear Association
American Association of Exporters and Importers
American Trucking Associations
Association of Global Automakers
Association of International Customs and Border Agencies
Border Trade Alliance
Canadian/American Border Trade Alliance
Coalition of New England Companies for Trade
Emergency Committee for American Trade
Express Association of America
Fashion Accessories Shippers Association
Footwear Distributors and Retailers of America
Foreign Trade Association
Fresh Produce Association of the Americas
National Association of Foreign-Trade Zones
National Council on International Trade Development
National Customs Brokers & Forwarders Association of America
National Fisheries Institute
National Retail Federation
Northern Border Customs Brokers Association
Retail Industry Leaders Association
The National Industrial Transportation League

Travel Goods Association
U.S. Chamber of Commerce
United States Council for International Business

cc: The Hon. David Aguilar
The Hon. David Heyman